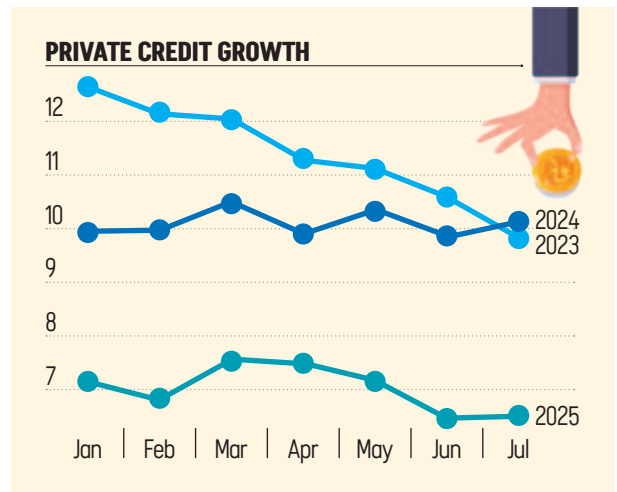


# Star BUSINESS



## Uncertainty continues to weigh on private credit growth



SOHEL PARVEZ

Bangladesh's private credit growth edged up slightly in July but remained far below last year's levels, as investment demand remains weak amid political uncertainty, volatile law-and-order situation, and strict scrutiny by banks.

Credit to businesses in July grew 6.52 percent year-on-year to Tk 17.42 lakh crore, according to latest Bangladesh Bank (BB) data.

This marks the second-lowest growth in private sector lending, which accounts for two-thirds of the country's investment, in at least one and a half years. In June, growth had stood at 6.49 percent.

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## Tariffs steer US synthetic shoe orders to Bangladesh

Exports reach \$523m in FY25 as American buyers look beyond China

JAGARAN CHAKMA

Amid global supply chain volatility and higher tariff pressure on China, US buyers are showing fresh interest in Bangladesh's non-leather footwear and synthetic leather products.

Industry insiders say the shift, though triggered by short-term import duty disruption, could open a long-term window for Bangladeshi exporters aiming to widen their global footprint.

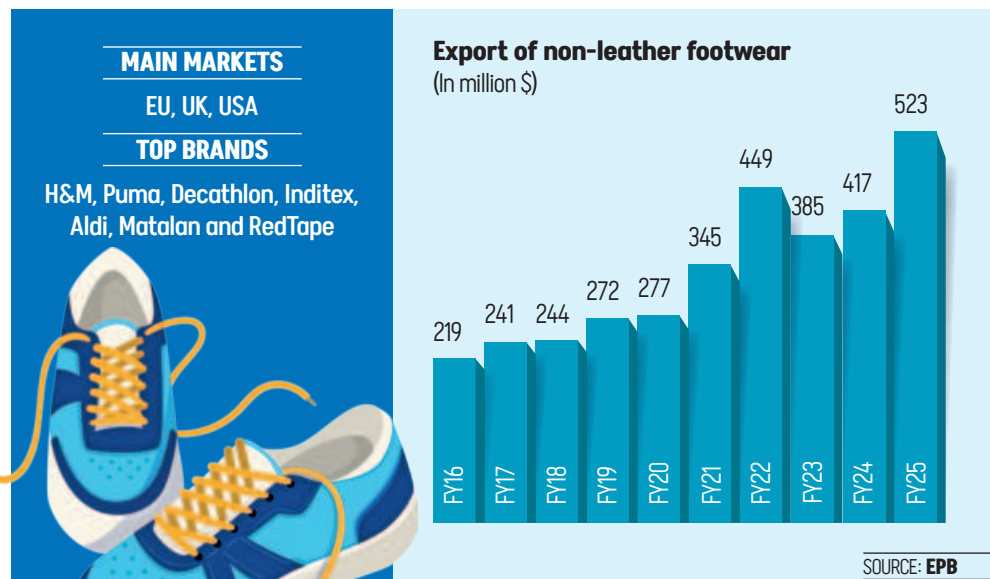
For local non-leather footwear manufacturers, Europe remains the biggest destination, taking almost 90 percent of synthetic shoe exports.

While the US share is still small, companies such as RFL Group, Bling Shoes, Shoeniverse Footwear and Jennys Shoes reported a stable rise in American orders.

The companies say buyers are being drawn by the country's growing capacity and competitive costs.

The synthetic leather footwear industry has grown rapidly, more than doubling exports in seven years. This segment earned \$523 million in fiscal year (FY) 2024-25, up from \$244 million in FY2017-18.

Synthetic shoes are becoming more popular globally than leather for comfort and style. Besides, synthetic materials are less expensive to produce than real leather, making synthetic footwear more accessible to a wider consumer base.



Yet short-term strains amid the US tariff uncertainty on synthetic items are visible. Shipments fell to \$42 million in August from \$45 million a year earlier, a 7 percent drop. Domestic manufacturers blame shipment delays and aggressive discounting by Chinese rivals, who diverted excess stock to Europe

after losing ground in the US. "Several consignments to the US were postponed because of uncertainty over reciprocal tariffs. That threw our production schedules off balance," said Hasanuzzaman Hassan, chairman of Bling Shoes.

He said that it may take up to three months to restore regular flows. Hassan said, "US buyers are coming back with bulk orders. That shows a long-term shift in sourcing is happening."

He pointed to American footwear brand Wolverine as an early returner after Washington imposed a total 47 percent tariff on Chinese footwear.

For Shoeniverse Footwear, which has manufacturing units in Tongi and Bhaluka, the European market still dominates.

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## Cable makers hit by construction slowdown

Harassment, corruption two 'national diseases'

Says Hossain Zillur Rahman

STAR BUSINESS REPORT

Bangladesh must confront harassment as fiercely as corruption if the country is to accelerate its economic momentum, said Hossain Zillur Rahman, former adviser to the caretaker government.

He urged that both harassment and corruption be recognised as "national diseases," stating that the two problems have become entrenched in business and daily life.

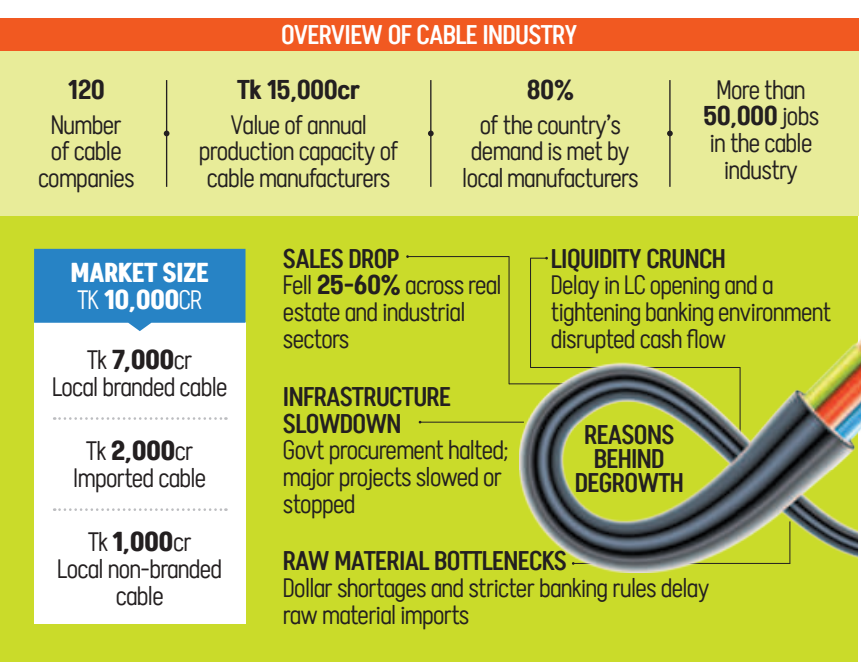
He made the remarks yesterday at a seminar titled "Bangladesh's Course of Action and the Role of the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) in the Context of the Trade War," held at the InterContinental Dhaka. The event was organised by the Bangladesh Business Forum (BBF).

Rahman said, "We very easily fall into the trap of complacency. We have done so before, and even now we are becoming accustomed to it."

"In today's reality, simply saying 'Bangladesh is progressing' is not enough. The key issue is the pace of that progress. There is no room for complacency merely because we are moving forward," he added.

He emphasised that decisions on the economy

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JAGARAN CHAKMA

For years, Bangladesh's cable industry was seen as one of the prized children of the growing economy, bolstered by rapid urbanisation, power and telecom coverage expansion, and massive development projects.

Over the last year, that expectation has been dampened by a large margin, with major players reporting up to a 30 percent demand slump.

According to them, the slowdown is owed to cancelled or delayed government projects, weaker private investment, and a banking squeeze that

has disrupted raw material imports.

"The industry is grappling with multiple challenges due to the overall downturn in economic activities since the regime change," said Rafiqul Islam Rony, head of marketing and sales at BRB Cable.

"Government purchases, one of the sector's key demand drivers, have been suspended for months, leaving a direct impact," he noted.

"Cables are primarily used in housing and infrastructure projects. But with real estate slowing and government construction stalled, demand has fallen sharply," Rony said. "People simply aren't in a financial position to buy apartments. Developers have scaled back, and that has had a knock-on effect on cable demand."

Rony estimated BRB's sales have dropped by at least 25 percent year-on-year.

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## Govt's domestic borrowing surpasses target by Tk 2,000cr

REJAUL KARIM BYRON and MD ASADUZ ZAMAN

Despite underspending its budget, the government borrowed more from domestic sources than planned in the last fiscal year (FY), as revenue collection shortfalls, waning foreign aid, and rising interest costs forced it to plug a widening gap.

Bangladesh Bank data show net domestic borrowing reached Tk 119,365 crore in FY 2024-25, overshooting the revised target of Tk 117,000 crore.

This came even as preliminary figures from the Ministry of Finance suggest more than Tk 1.5 lakh crore of the Tk 7.44 lakh crore budget went unspent.

Finance ministry officials attributed the additional borrowing to revenue collection, which fell well below the target.

According to National Board of Revenue (NBR) data, it missed its revised target of Tk 3.71 lakh crore by Tk 92,626 crore.

Speaking on the matter, Zahid

Hussain, former lead economist at the World Bank's Dhaka office, said the debt composition is moving towards becoming more expensive.

"The government's domestic borrowing has increased, and all of it is expensive, with interest rates above 10 percent. In contrast, borrowing from foreign assistance, which is

cheaper, has declined. "This means the interest burden will rise further. Unless revenue mobilisation increases or expenditure becomes more efficient, debt stress will intensify in the future," explained the economist.

According to central bank data, in the first 11 months of FY25, expenditure increased by 20 percent year-on-year, including interest payments. The government had originally allocated Tk 113,500 crore for interest payments in FY25 but later revised it to Tk 121,500 crore as payments surged.

Out of the total borrowing from domestic sources, the government had targeted Tk 99,000 crore from the banking system but ultimately borrowed Tk 77,107 crore.

In contrast, from non-bank sources, the government initially targeted borrowing Tk 18,000 crore, including Tk 14,000 crore from the net sales of national savings schemes. However, it ended up making a net repayment of Tk 6,063 crore under the schemes as sales plummeted.

To make up for the additional expenditure, the government borrowed Tk 48,322 crore from other non-bank domestic sources, such as non-bank financial institutions, insurance companies, and individual investors through treasury bonds and bills.

Overall, its total borrowing from such sources stood at Tk 42,259 crore, much higher than the original target. "While one reason for higher non-bank borrowing is that it is considered a safe investment, the bigger reason could be the higher interest rates offered there," stated Hussain.

READ MORE ON B3

# Southeast Bank launches co-branded cards with Jahangirnagar University

STAR BUSINESS DESK

Southeast Bank PLC has recently signed a memorandum of understanding (MoU) with Jahangirnagar University to introduce co-branded credit cards for faculty members and staff, alongside co-branded prepaid cards for students.

Prof M Abdur Rab, treasurer of Jahangirnagar University, and Md Masum Uddin Khan, deputy managing director of Southeast Bank PLC, signed the MoU at the university's administration building, according to a press release.

Prof Muhammad Kamrul Ahsan, vice-chancellor of Jahangirnagar University, attended the event as the chief guest. In his remarks, Ahsan highlighted the MoU as a landmark in fostering collaboration between the two institutions, particularly through the launch of the co-branded prepaid card.

He expressed confidence that the partnership would enhance technology-driven financial inclusion and broaden access to modern banking services for the university community.

Under the MoU, faculty members and staff will be entitled to lifetime, fee-free credit cards with suitable credit limits.



Prof Muhammad Kamrul Ahsan, vice-chancellor of Jahangirnagar University, inaugurates co-branded credit and prepaid cards, jointly launched by Southeast Bank PLC and Jahangirnagar University, at the latter's administrative building recently.

PHOTO: SOUTHEAST BANK

Meanwhile, the prepaid cards for students will offer ease of use and online transaction facilities, enabling payments such as application fees to overseas universities, in addition to domestic and international transactions.

Among others, Prof Mohammad Mahfuzur Rahman, pro-vice-chancellor (academic); Prof Sohel Ahmed, pro-vice-chancellor (administration); Md Abdus Sabur Khan,

head of card division and senior executive vice-president of Southeast Bank PLC; Mohammad Ashiquzzaman Khan, executive vice-president; Md Musfiqur Rahman, senior vice-president and head of logistics and general services division; and Mohammad Maniur Rahman, senior assistant vice-president and head of the Hemayetpur Branch, were also present.

# World Bank cuts Vietnam's growth forecast to 6.6%

REUTERS, Hanoi

The World Bank on Monday trimmed its forecast for Vietnam's economic growth on evidence that US tariffs were starting to have an impact on the Southeast Asian exporter's shipments.

The World Bank cut its GDP forecast for Vietnam to 6.6 percent from 6.8 percent this year, saying activity is expected to moderate over the rest of the year as export growth normalises after a strong first-half performance.

The World Bank's new forecast is significantly lower than the government's official target of 8.3 percent-8.5 percent growth.

"As an export-oriented economy, Vietnam remains vulnerable to slower global growth and softening demand from major trading partners," the World Bank said.

"Trade-policy uncertainty may also begin to weigh on business and consumer confidence."

Vietnam's biggest export market, the United States, imposed a 20 percent tariff on its goods from August 7, with transshipments from third countries through Vietnam facing a levy of 40 percent.



M Khurshed Alam, additional managing director and chief risk officer of NCC Bank PLC, receives an award from Arijit Basu, non-executive chairman of HDB Financial Services Ltd and former managing director of the State Bank of India, during the 3rd ICC Emerging Asia Banking Conclave & Awards 2025, organised by the Indian Chamber of Commerce (ICC) at Le Méridien in New Delhi recently.

PHOTO: NCC BANK

# NCC Bank honoured at Asia Banking Conclave & Awards

STAR BUSINESS DESK

NCC Bank PLC has recently won an award in the risk management category at the 3rd ICC Emerging Asia Banking Conclave & Awards 2025, organised by the Indian Chamber of Commerce (ICC) at Le Méridien in New Delhi.

Arijit Basu, non-executive chairman of HDB Financial Services Ltd and former managing director of the State Bank of India, presented the award to M Khurshed Alam, additional managing director and chief risk officer at NCC Bank PLC, according to a press release.

Speaking on the occasion, Alam remarked: "This international recognition reaffirms NCC Bank's unwavering commitment to excellence in banking. It is not merely an award but an endorsement of our corporate

governance, professionalism, and sustainable banking practices."

He further noted, "We firmly believe that sound risk management is the cornerstone of sustainable growth, financial stability, and customer trust. This honour will inspire us to raise service quality and contribute more effectively to the wider development of Bangladesh's financial sector."

JPR Karunaratne, deputy governor of the Central Bank of Sri Lanka; Partha Ray, director of the National Institute of Bank Management; Joydeep K Roy, president and CEO of QUIET Inc and former partner at PwC; and Atanu Sen, former chairman of NPS Trust-PFRDA, former managing director and CEO of SBI Life Insurance Co Ltd, and chairman of ICC's National Expert Committee on BFSI, among others, were also present.

# Dhaka Bank wins ADB's 'Momentum Award'

STAR BUSINESS DESK

Dhaka Bank PLC has won the "Momentum Award" at the 11th Trade and Supply Chain Finance Programme (TSCFP) Awards 2025, organised by the Asian Development Bank (ADB) in Singapore recently.

This is the second consecutive year that Dhaka Bank has received recognition from the ADB for its expertise and efficiency in international trade finance.

Steven Beck, head of trade and supply chain finance at the ADB, and Neha Noronha, unit head for South Asia of trade and supply chain finance, presented the award to Md Mostaque Ahmed, deputy managing director and chief emerging market officer of Dhaka Bank PLC, at the event, according to a press release.

In 2024, Dhaka Bank was named "Leading Partner Bank in Bangladesh" for executing the highest number of transactions in collaboration with the ADB. Each year, the ADB confers the Momentum Award on the bank within its TSCFP network that demonstrates the greatest year-on-year growth in international trade transactions.

This latest accolade reaffirms Dhaka Bank's continued success in strengthening its global footprint while delivering enhanced services to clients and partners worldwide.

Since 2009, Dhaka Bank has been an enlisted issuing bank under the ADB's TSCFP, leveraging the platform to promote and expand international trade for both corporate and SME clients, thereby contributing to Bangladesh's economic development.



Md Mostaque Ahmed, deputy managing director and chief emerging market officer of Dhaka Bank PLC, poses for photographs with Steven Beck, head of trade and supply chain finance at the ADB, and Neha Noronha, unit head for South Asia of trade and supply chain finance, at the 11th Trade and Supply Chain Finance Program (TSCFP) Awards 2025 in Singapore recently.

PHOTO: DHAKA BANK

# Midland Bank signs MoU with Milvik Bangladesh to enhance healthcare access

STAR BUSINESS DESK

Midland Bank PLC has signed a memorandum of understanding (MoU) with Milvik Bangladesh Limited, a Swedish HealthTech company providing innovative digital healthcare services and insurance, aimed at improving healthcare access and delivery in underserved communities.

Mohd Javed Tarek Khan, senior executive vice-president and head of the institutional banking division at Midland Bank PLC, and Shihab Uddin Chowdhury, country manager of Milvik Bangladesh Limited, signed the MoU at the bank's head office in Dhaka on Sunday, according to a press release.

The strategic partnership seeks to leverage digital technologies and financial inclusion initiatives to meet the growing demand for accessible healthcare, not only in urban centres but also in rural and remote areas.

Under the agreement, both organisations will collaborate to develop sustainable healthcare solutions that enhance health outcomes through technology-driven platforms.

The initiative will also offer health insurance packages tailored to all segments of society.

Midland Bank's expertise in financial services will complement Milvik Bangladesh's advanced healthcare technologies, with a focus on telemedicine, health monitoring,



Shihab Uddin Chowdhury, country manager of Milvik Bangladesh Limited, and Mohd Javed Tarek Khan, senior executive vice-president and head of the institutional banking division at Midland Bank PLC, pose for photographs after signing the memorandum of understanding at the bank's head office in Dhaka on Sunday.

PHOTO: MIDLAND BANK

mobile health applications, and digital health records, thereby extending healthcare services to individuals who are geographically distant or unable to access traditional medical facilities.

Key objectives of the collaboration include subscription collection via Midland Bank's agent banking network, API integration for app-in-app services, special discounts for Midland Bank cardholders, Milvik subscriptions linked to the MDB payroll package, and health

campaigns for the bank's corporate clients.

Md Rashed Akter, head of retail distribution division of the bank; Omar Sharif, head of digital financial services; Mohammad Hassibur Rahman, head of cash management; and Ashrafur Rahman, relationship manager; Mohammad Ishaque, country lead (mHealth) of the healthtech company; Riaz Mostafa, country lead (finance and admin); and Rahat Ikbal, country lead (field sales), were also present.

# NRBC Bank organises foundation training programme

STAR BUSINESS DESK

NRBC Bank PLC has organised a 10-day "Foundation Training Programme" at its training institute in the capital.

A total of 42 officials from various branches, sub-branches, and divisions at the head office took part in the programme.

Md Touhidul Alam Khan, managing director and chief executive of NRBC Bank PLC, attended the event as the chief guest and distributed certificates among the participants, according to a press release.

In his address, Khan stressed that there is no alternative to training for developing skilled human resources.

He highlighted the importance of structured training programmes to achieve service excellence, ensure regulatory compliance, and enhance operational stability.

The bank also recognised the top three trainees for their outstanding performance.



Md Touhidul Alam Khan, managing director and chief executive of NRBC Bank PLC, poses for group photographs with participants of the "Foundation Training Programme" at the bank's training institute in Dhaka recently.

PHOTO: NRBC BANK

The programme covered key areas, including general banking operations, compliance, customer service, credit management, anti-money laundering, risk

management, and digital banking systems, among other topics.

Harunur Rashid, deputy managing director and chief financial officer of the bank; Hafiz

Imroz Mahmud, head of human resources; and Md Abdullah-Al-Wadud, training institute coordinator, along with other senior officials, were also present.

**GAZI WIRES LIMITED**  
(An Enterprise of BSEC under Ministry of Industries)  
28-BFIDC Road, Kalurghat, Chattogram-4212, Bangladesh.

**Invitation for International RE-Tender**

1	Ministry/Division	Ministry of Industries		
2	Agency	Bangladesh Steel & Engineering Corporation (BSEC).		
3	Procuring Entity Name	Managing Director, Gazi Wires Limited (GWL) 28 BFIDC Road, Kalurghat, Chattogram-4212, Bangladesh.		
4	Invitation for	Procurement of 32 (Thirty-Two) M. Ton Wire Enamel Insulating Varnish (PVF-22%).		
5	Invitation Ref. No.	GW/PUR/28/A/R/OTM/ICT/2025-2026, Date: 04/09/2025		
6	Procurement Method	Open Tender Method (ICT) (One Stage Two Envelope System)		
7	Budget and Source of Funds	Gazi Wires Limited's Own Fund.		
8	Tender Publication Date	Tender Last Selling Date	Tender Closing Date & Time	Tender Opening Date & Time
	08/09/2025	06/10/2025	07/10/2025   11.30AM	07/10/2025   11.45AM
9	Name & Address of the offices:	Address		
(a)	Selling Tender Document	1) Cash Section, Bangladesh Steel & Engineering Corporation, BSEC Bhaban, 102- Kazal Nazrul Islam Avenue, Dhaka-1215, Bangladesh. 2) Cash Section, Gazi Wires Limited, 28 BFIDC Road, Kalurghat, Chattogram-4212, Bangladesh.		
(b)	Receiving and Opening of Tender Document	1) At the office of Gazi Wires Ltd., 28-BFIDC Road, Kalurghat, Chattogram - 4212, Bangladesh.		
10	Price of Tender Document (Each)	BDT. 3,000.00		
11	Eligibility of Tenderer	Mentioned in the Tender Documents		
<b>Brief Description of Goods:</b>				
12	Tender Package No.	Description of Goods	Tender Security Amount (USD)	
	GW/PUR/28/A/R/OTM/ICT/2025-2026.	Procurement of 32 (Thirty-Two) M. Ton Wire Enamel Insulating Varnish (PVF-22%).	USD 3,264.00 or equivalent BDT 4,02,000.00	
13	Delivery Period/ Shipment Schedule	Shipment will be made within One month from the date of issuance of Letter of credit.		
14	Name of Official Invitation Tender	Md. Abdul Halim		
15	Designation of Official Invitation Tender	Managing Director (in Charge)		
16	Address of Official Invitation Tender	Gazi Wires Limited (GWL) 28, BFIDC Road, Kalurghat, Chattogram-4212, Bangladesh. E-mail: gaziwires@gmail.com Or hopur@gaziwires.gov.bd		
17	Special instructions	The procuring entity reserves the right to accept or reject any or all tenders without showing any reason.		

GD-1958  
Head of Commercial Department  
For Managing Director

## Oasis Accessories to invest \$4.8m in Bepza economic zone

STAR BUSINESS REPORT

Oasis Accessories (Pvt) Ltd, a Bangladesh company, will invest \$4.8 million to set up a garment accessories factory in the Bepza Economic Zone at Chattogram's Mirsharai.

An agreement was signed yesterday at the Bepza Complex in Dhaka between the Bangladesh Export Processing Zones Authority (Bepza) and Oasis Accessories, according to a press release.

The company will annually produce 1 million pieces of carton boxes, 42 million polybags, and 1 million metres of foam. The project is expected to create 311 jobs for Bangladeshi nationals.

With this agreement, 48 companies have so far signed investment deals with the Bepza Economic Zone, bringing total proposed investments to over \$1 billion.

In the presence of Bepza Executive Chairman Major General Abul Kalam Mohammad Ziaur Rahman, the deal was signed by Md Ashraf Kabir, member (investment promotion) of Bepza, and Md Selim Reza, managing director of Oasis Accessories.

The signing ceremony was also attended by senior Bepza officials, including Md Imtiaz Hossain, member (engineering); ANM Foyzul Haque, member (finance); Md Tanvir Hossain, executive director (investment promotion); Mohammad Anamul Haque, project director of Bepza EZ; and ASM Anwar Parvez, executive director (public relations), along with representatives of Oasis Accessories.

# Buyer-seller summit begins in Dhaka

STAR BUSINESS REPORT

The SME Foundation, with support from the World Bank, organised a two-day "Buyer-Seller Summit 2025" at the Institute of Architects Bangladesh in the capital's Agargaon, starting yesterday.

The summit seeks to strengthen market linkages for products crafted by entrepreneurs from SME clusters nationwide, while helping established businesses source diverse suppliers.

A total of 46 women-led enterprises and 25 SME clusters are showcasing their products and supply capacities to commercial buyers, institutions, and established businesses.

The participants represent different sectors, including leather, light engineering, handloom, hosiery, fashion and home textiles, nakshi kantha (embroidered quilts), wood and bamboo-cane products, pottery, and jewellery.

Md Nuruzzaman, additional secretary of the Ministry of Industries, inaugurated the summit as chief guest,

according to a press release.

The event was chaired by Md Musfiqur Rahman, chairperson of the SME Foundation. Highlighting the importance of clusters, he said a 2013 study by the foundation identified 177 clusters across the country involving nearly two million workers, of whom 74 percent were male and 26 percent female.

"About 70,000 companies in 177 clusters across 51 districts generate an annual turnover of around Tk 30,000 crore. Subsequently, 20 more clusters have been identified," he noted.

Among the most significant clusters are those in light engineering, handloom, embroidery, small garments, handicrafts, furniture, bamboo and rattan, jewellery and leather goods.

Rahman observed that cluster entrepreneurs continue to face challenges in marketing, access to finance, technical and managerial capacity, quality improvement, workplace safety, and health standards.

To address these issues, the SME Foundation is implementing a broad

range of development initiatives, including infrastructure enhancement, adoption of modern technology and machinery, introduction of new designs and product diversification, training to improve quality standards, and the production of diversified goods through recycled raw materials.

The foundation is also pursuing policy advocacy for industrial product recognition and geographical indication (GI) certification, alongside cluster-based credit, experience sharing, ICT support, and the establishment of common facility centres.

"With the aim of developing small and medium industry clusters, the foundation regularly assesses their needs and designs cluster-specific interventions accordingly," Rahman added.

The foundation has completed needs assessments in 95 clusters, with ongoing development initiatives currently active in 40.

Under its credit wholesaling programme and incentive package, the SME Foundation has disbursed loans worth about Tk 185 crore to nearly 2,800 entrepreneurs across various clusters.

It has also supported entrepreneurs in building banking capacity through specialised training and engagement with banks and financial institutions.

## Gold hovers near record high



REUTERS

Gold held firm near an all-time high on Monday, inching closer to a key \$3,600 level, bolstered by mounting expectations of a US Federal Reserve rate cut this month following a weaker-than-expected jobs report last week.

Spot gold was up 0.2 percent at \$3,593.79 per ounce, as of 0641 GMT. Bullion rose to a record high of \$3,599.89 on Friday. US gold futures for December delivery fell 0.5 percent to \$3,634.

"The main driver is US jobs data and the expectations now that the Fed could cut by 50 basis points in September. It's a marginal chance but a material shift from before the jobs figures," Capital.com financial market analyst Kyle Rodda said.

"Basically ... all of the tailwinds are blowing for gold at the moment and notwithstanding an inflation shock this week, we will make a good test of \$3,600."

US job growth weakened sharply in August, and the unemployment rate increased to a nearly four-year high of 4.3 percent, confirming that labor market conditions were softening and sealing the case for a Fed rate cut next week.

## Cable makers hit

FROM PAGE B1

"Overall consumption is down by about 25-30 percent. With no major development projects or new industrial investments, the sector is practically stagnant," he said.

He added that gaps in leadership at several companies have compounded the problem. "Many owners are entangled in lawsuits or abroad. Without proper direction, expansion is nearly impossible."

The sector consists of around 120 companies, ranging from large players to small scale producers.

With an annual production capacity of Tk 15,000 crore, local manufacturers are more than capable of meeting the country's total cable demand, which stands at approximately Tk 10,000 crore per year. But that capacity now lies underused.

AKM Ahsanul Haque, chief operating officer of Pertex Cables, said demand began weakening shortly after the last national election and has since deteriorated further.

"At one point, demand in the industrial segment dropped by nearly 50 percent, while sales in the real estate sector declined by around 60 percent as developers slowed or cancelled projects," he said.

Retail demand, too, faltered earlier this year as individual homebuilders delayed construction.

Currently, cash flow remains the biggest challenge for the company.

"Many of our reliable customers who once paid on time are now struggling with liquidity, which delays our collections. That, in turn, affects our ability to pay suppliers and manage working capital," he explained.

The banking sector's troubles have compounded matters. "Dollar shortages and stricter banking rules have disrupted our raw material imports, often delaying shipments by two to three months," Haque said.

Kamruzzaman Kamal, marketing director of Pran-RFL Group, which owns Bizli Cables, said political uncertainty had further dampened investment appetite.

"Those who once had liquidity are no longer investing," he said.

"Power cable demand, tied to real estate and industrial infrastructure, has dropped significantly. Internet cable demand remains stable but is mostly for repair, not new installations. With office closures and stalled construction, there's little need for new connections," he added.

Besides, the last year has seen large-scale projects like metro rail extensions and state infrastructure schemes slowed down. "Only a few tenders remain active, and progress is minimal."

The situation is similar across the industry, he noted. "The entire sector is stuck."

A senior official at BBS Cables, requesting anonymity, confirmed that business has slowed for the company as well.

"The market is moving at a snail's pace, and we're seeing a clear slowdown," the official said.

BBS Cables produces a full range of domestic cables, from low to high voltage, but demand across all segments has declined, added the BBS official. But with the national election on the horizon, things have started to change.

"Once a new government settles in and the business climate improves, we expect investment to return. This situation won't last forever. For now, survival is our main focus after investing over Tk 1,000 crore," BRB's Rony said.

Pertex's Haque said they are also witnessing some improvement.

"Recently, we have seen a slight improvement, with queries up by about 15-20 percent, largely due to renewed optimism surrounding the political transition," he said.

He expects business to make a full rebound from the second quarter of next year. "Demand will begin to rebound if political stability holds and banking conditions ease."

## Tariffs steer US synthetic shoe orders

FROM PAGE B1

"About 90 percent of our exports go to Europe. But once Chinese manufacturers lost US orders, they flooded Europe with cheaper products. Some of our regular buyers switched back to them," said Shoemaster Managing Director Riad Mahmud.

He said the price war has unsettled exports to Europe, contributing to around 8 percent fall in August.

Even so, Mahmud remains optimistic about the outlook.

"The market is settling. We are adding capacity, and with new factories we expect exports to grow at least 6 percent a month, provided there are no fresh shocks," he said.

He added that small but steady US orders are already coming in, suggesting sourcing patterns are gradually shifting.

Nasir Khan, chairman and managing director of Jennys Shoes, believes the new US tariffs have opened the door for Bangladesh.

"American brands are exploring new sourcing hubs, and Bangladesh is firmly on their radar," he said.

Khan said that monthly figures do not always capture the industry's real performance, as orders are seasonal.

"We are processing winter shipments now, and bulk consignments to the US are already underway," he said.

Jennys Shoes exports mainly to Japan and Europe, but in the US market it specialises in non-leather sports shoes, with Skechers and Steve Madden among its buyers.

RN Paul, managing director of RFL Group, said their synthetic leather division is receiving US demand for the first time, in both apparel and footwear. "The interest is not entirely new, but the consistency and scale are on a different level," he said.

RFL began producing synthetic leather with a water-based polyurethane process in 2021. The eco-friendly method has proved

attractive to international brands on both compliance and sustainability grounds.

"We are in discussions with H&M and Zara. Our integrated production system gives us an edge," Paul said.

To meet rising demand, RFL has joined hands with a Chinese firm to expand capacity. "That helps us fill the gap left by China's reduced exports to the US," he added.

The company has also extended synthetic leather use beyond footwear to jackets, handbags, wallets and other items previously dependent on imports. "We now make them locally, which adds more value at home," Paul said.

Despite August's setback, exporters remain convinced Bangladesh is on the brink of a new growth phase in non-leather footwear and synthetic leather.

"There are short-term bumps, but the long-term opportunity is real and getting bigger," said Mahmud of Shoemaster.

## Uncertainty continues to weigh

FROM PAGE B1

"We do not see any considerable turnaround in business activities even though export orders show a sign of increase. Growth in the domestic market-oriented businesses appears to remain flat," said Ahmed Shaheen, additional managing director of Eastern Bank PLC.

"Investment has been sluggish as well. There is less appetite for immediate fresh investment. Investors seem to be waiting for a political transition," he added.

July data on the import of capital machinery, a key indicator of investment, is not yet available. However, in the fiscal year 2024-25 (FY25), the opening of letters of credit for the import of capital machinery fell 25 percent year on year. Imports of intermediate goods and industrial raw materials also declined.

"Business confidence has been struggling to improve and the law-and-order situation is a reason," said Shaheen.

Two more factors, the crisis in the banking sector and greater scrutiny by bankers to avoid risky lending, have also had an impact on private credit growth.

"Investment has been sluggish as well. There is less appetite for immediate fresh investment. Investors seem to be waiting for a political transition," he added.

July data on the import of capital machinery, a key indicator

of investment, is not yet available. However, in the fiscal year 2024-25 (FY25), the opening of letters of credit for the import of capital machinery fell 25 percent year on year. Imports of intermediate goods and industrial raw materials also declined.

"Business confidence has been struggling to improve and the law-and-order situation is a reason," said Shaheen.

Two more factors, the crisis in the banking sector and greater scrutiny by bankers to avoid risky lending, have also had an impact on private credit growth.

"Many bankers are playing safe to avoid any adverse consequences in the future. An alternate investment in government securities is also safe and with high yield," he added.

Shah Md Ahsan Habib, professor selection grade at the Bangladesh Institute of Bank Management (BIBM), expressed similar views.

"A large number of banks are under the regulatory scanner because of reform measures in the financial sector. So, banks have become overcautious. They will not lend if they find any compliance gap," he said.

"We may not see any jump in credit growth unless there is any surge in economic activities," he added.

Bangladesh's economy has struggled over the past three years. In FY25, growth slowed to 3.97 percent, the lowest in five years, down from

4.22 percent the previous year.

Noting the slowing growth of credit to the private sector, the central bank projects a 7.2 percent expansion in loans to private businesses by December 2025.

It expects that overall credit will increase 8 percent at the end of June next year, "assuming a contractionary nature of monetary policy aimed at containing persistently high inflation and lower credit demand from non-bank financial corporations."

Meanwhile, Fahmida Khatun, executive director at the Centre for Policy Dialogue (CPD), noted that the tight monetary policy is not the main factor inhibiting faster expansion of loans.

"How can investors invest under such an uncertain and volatile situation," she said. "We see increased violence. Many have doubts whether the election will take place on due time under such an uncertain situation."

Besides, the cost of doing business has not dropped. "There are complaints that it has risen because of increased energy prices and corruption."

Khatun added that a jump in private credit growth is unlikely before a stable government takes office post-election. "But the slow credit growth will have a negative impact on employment generation and the poverty situation."

## Govt's domestic borrowing surpasses

FROM PAGE B1

Also speaking on the matter, Selim Raihan, professor of economics at the University of Dhaka, stated that borrowing from treasury bonds increased as they offered attractive interest rates, which many investors see as secure and stable.

"That has encouraged even institutional buyers who were not very active before to enter this market," he noted.

He identified regulatory changes as another factor. "Previously, treasury bonds were mainly accessible through banks, but now individuals

can buy them directly. That has widened participation beyond savings certificates."

"While individuals can only purchase up to a certain limit in savings certificates, treasury bonds have no such ceiling.

Anyone can buy as much as they want. This is a key reason behind the shift, especially at the individual level," he added.

Prof Raihan, also the executive director of the South Asian Network on Economic Modeling, noted that weaker sales of savings certificates may also reflect households' reduced savings capacity.

"High inflation squeezed the middle class, the main buyers of savings certificates, as well as lower middle-income groups who used to buy savings certificates occasionally. Their ability to save has diminished," he said.

Another factor, he added, is lower government expenditure.

"Since the current government took office in August, its fiscal approach has been cautious, with significant cutbacks in expenditure. As a result, borrowing needs have also remained contained."

However, he warned that the trend carries risks for the economy.

## Harassment, corruption

FROM PAGE B1

must be taken with urgency, and both the economy and the national mindset must gain momentum.

Citing comparisons, he noted that in 2004 Bangladesh and Vietnam were on the same list, but today Vietnam has moved far ahead. "Poverty in our country is moving in the wrong direction, and underemployment has reached epidemic proportions. The dropout rate at the primary level has increased," he said.

The economist noted that over the past 15 years, due to cronyism and unethical practices, the private sector has come under scrutiny. "However, it is the private sector that will drive the wheels of the economy."

"Therefore, it must be brought back into a position of trust. Special emphasis must also be placed on the small and medium enterprise sector," he added. Rahman further said that the global economy is currently undergoing major transformations, and a new world order is in the making. "Bangladesh must engage

in this process with competence. It is now time to initiate a strong national dialogue about new drivers of growth."

Kamran T Rahman, president of the Metropolitan Chamber of Commerce and Industry (MCCI), said that over the past year, the country's economy has faced several challenges. Among them, the deterioration of law and order, currency devaluation, and inflation have emerged as major issues.

Pointing out that the country has a labour force of 65 million, he said, of them, only 12 million are employed in the formal sector. "Most of the workers employed abroad are unskilled, which results in lower earnings compared to workers from India or Sri Lanka."

Also speaking at the event, Masrur Reaz, chairman of the Policy Exchange of Bangladesh, said despite the ongoing global trade war and shifting geopolitics, new opportunities are emerging for Bangladesh.

Companies from the United States, Europe, and Japan are adopting a "China Plus One" strategy, seeking

to move production out of China, he noted. "They are looking for alternatives in politically neutral countries. Alongside Mexico, Vietnam, and the United Arab Emirates, Bangladesh could also become a potential destination."

Reaz further said that to seize this opportunity, focus must be placed on enhancing competitiveness, improving ports and infrastructure, reforming the regulatory framework, and developing new export sectors. In addition, the private sector must play a proactive preparatory role.

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, criticised the Federation of Bangladesh Chambers of Commerce and Industry, saying that the apex trade body failed to play an effective role as a trade organisation in addressing the problems faced by businesses.

"In order to make trade organisations more effective, they must be free from the influence of partisan politics," he said.

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Memo No. 46.02.3626.902.14.051.22-336 Date: 04.09.2025

**Notice No. 01/2025-26 (OTM)**

e-Tender is hereby invited through National e-GP Portal (<http://www.eprocure.gov.bd>) for the procurement of:

Sl. No.	Tender ID	Name of the works	Tender publication date & time	Last dt & time of document selling	Last dt & time of opening
1	1145521	1. Construction of Head Teacher's room with attached toilet of Noagaon under PEDP4. 2. Construction of Head Teacher's room with attached toilet of Chandpur under PEDP4. 3. Construction of Head Teacher's room with attached toilet of Gadishal under PEDP4.	7th September 2025 BST 11:00	21st September 2025 BST 13:00	21st September 2025 BST 13:15
2	1145520	1. Construction of Head Teacher's room with attached toilet of HAZI YEASIN under PEDP4. 2. Construction of Head Teacher's room with attached toilet of NARAPATI under PEDP4.	7th September 2025 BST 11:00	21st September 2025 BST 13:00	21st September 2025 BST 13:15
3	1145519	1. Construction of Head Teacher's room with attached toilet of CHAND PUR BOSTI ADARSHA under PEDP4. 2. Construction of Head Teacher's room with attached toilet of KACHUA under PEDP4. 3. Construction of Head Teacher's room with attached toilet of SHAKIR MUHAMMAD under PEDP4.	7th September 2025 BST 11:00	21st September 2025 BST 13:00	21st September 2025 BST 13:15

This is an online tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies are allowed. To submit e-Tender, registration in the National e-GP Portal (<http://www.eprocure.gov.bd>) is required. Any others conditions for this tender is stated in TDS. Interested Tenderers may communicate with the undersigned during office hours.

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GD-1960

# LDC graduation must reflect readiness, not just prestige

Says EuroCham Bangladesh President Nuria Lopez in an interview with The Daily Star



Nuria Lopez

REEFAYET ULLAH MIRDHA

Bangladesh should graduate from the least developed country club only when the private sector is ready, not simply to claim prestige, according to Nuria Lopez, president of EuroCham Bangladesh.

The chamber represents 60 European companies, including H&M, Decathlon, Airbus, LafargeHolcim, Arla Foods, and Maersk, with annual business with Bangladesh worth nearly \$10 billion.

In an interview with The Daily Star, Lopez said, "Right now, I feel the government is pushing for graduation mostly out of prestige, not readiness."

According to the chamber leader, graduation would certainly be a moment of pride. But she thinks the country, without a clear roadmap and broad consensus, is still unprepared to take such a step.

She described private sector entrepreneurs as the driving force of the economy. Yet, she said the entrepreneurs are the ones who face numerous problems every day.

"Politicians or academics may rely on data and polls, but we are the ones who see what happens on the ground — when there is no energy, when regulations change, when logistics and financing costs keep rising."

She criticised the lack of vision in product diversification, pointing out that exports remain heavily concentrated in garments.

She said people call the Bangladesh case a miracle, but it is not.

"A miracle means developing everything. Here, only one sector, garments, grew, while others were left behind. This sector cannot absorb more manpower. Without diversification and competitiveness, we cannot move

forward."

According to Lopez, the absence of a national vision is the biggest weakness of the country.

"If I ask you today, what kind of country are we building? An open economy or a protected one? We cannot be both. Without a vision and a roadmap, it is very difficult to prepare for graduation."

She said she would be proud to see Bangladesh graduate, but only when the country is prepared.

Energy shortages, high financing costs, poor logistics, rising expenses of around 10 percent a year, and weak vocational training were among the problems she listed. She also criticised over-reliance on import duties instead of meaningful tax reform.

"We cannot attract new industries if we do not reform taxation, energy, and education. Investors want stability, predictability, and skilled manpower. Right now, Bangladesh is not on the radar of any European company."

without us. But we are the ones who will bear the consequences."

"The economy is in private hands. Competitiveness depends on government policies, lower financing costs, stable energy, modern logistics, and strong tax reforms. Without these, we cannot compete."

She also called for a branding strategy to attract foreign investors. "Yes, Bangladesh should graduate. But let's do it properly, with a roadmap, reforms, and responsibility. Otherwise, rushing ahead would be a mistake."

Lopez said those claiming Bangladesh is ready are "misleading". "Academics or economists may give theories, but the private sector sees the real problems every day."

Factories are struggling with power cuts, spiking costs and fragile logistics, she said. Interest rates are high, the financial sector is unstable, and businesses struggle to access funds. "Sometimes I worry my bank may not even give me money to pay salaries. With such conditions, how can we graduate?"

She said Bangladesh can seek deferment. Unlike Nepal or Laos, the country faces unique challenges, from climate risks and frequent disasters to the pressure of supporting 200 million people.

Competitiveness, she said, is being eroded further by logistics costs, which make Bangladesh about 10 percent less competitive than its neighbours.

"That is not something the private sector alone can fix. It needs government reforms and policies."

"The official message of the government is 'we want to graduate', but in private, many are not confident. The private sector must raise its voice, because we face the reality," commented Lopez.

## Takeaways from interview

Private sector struggles with energy, costs, and logistics daily

Garment overdependence blocks diversification and job growth

Bangladesh lacks clear national vision and graduation roadmap

Reforms in energy, taxation, and logistics key to competitiveness

There is risk of losing EU GSP Plus without urgent negotiations

Graduation needs responsibility, reforms, and preparation

"Graduating at the right time means after five more years, and with a roadmap, with commitments, with reforms. Not just an extension for free, where nothing changes. We need responsibility."

Lopez urged stronger efforts to secure GSP Plus access in European markets and deeper engagement with the European Business Council, as Bangladesh has the potential to expand trade with the Eurozone.

She talked about areas where the country is falling behind, such as the absence of free trade agreements, while market competitors such as Vietnam and India have moved far ahead.

On trade safeguard measures, she said, "It is not guaranteed. Safeguards and quotas in the RMG sector are critical issues. We need to start negotiating in Brussels now, before regulations are finalised. Otherwise, after the three-year transition, Bangladesh may not qualify for the EU's GSP Plus status."

European brands and retailers, who buy billions of dollars' worth of garments from Bangladesh, are concerned about post-graduation competitiveness and market access, Lopez added.

She stressed that the private sector must be part of policymaking. "The government prepared a strategic plan

# LDC graduation: milestone or risky leap?

AHMED HUMAYUN MURSHED

Bangladesh is set to leave the least developed country (LDC) club next year after meeting UN criteria in two consecutive reviews. Graduation means crossing three thresholds: income per person, human development indicators and economic vulnerability. The UN reviews these every three years, and a country must pass twice before graduating.

Several nations have already done this, including Botswana, the Maldives and Bhutan. In 2026, Bangladesh will graduate alongside Nepal and Laos. What makes Bangladesh stand out is its size. With nearly 200 million people, we are by far the most populous country to graduate in recent times. The task is far more complex than for small nations.

Graduation will bring some benefits. It raises our profile as a creditworthy and growing economy and may attract more investment. It will make it easier to raise funds in global markets and negotiate trade deals as a developing country. It will also boost national confidence and send a message that Bangladesh is no longer seen as fragile.

But this recognition comes at a difficult time. Banks are burdened with bad loans, governance failures and declining public trust. Foreign currency reserves are low, making it harder to import fuel and raw materials. Inflation is pushing up prices, and families are cutting back on essentials. Investment is slow, and job creation is falling short of the needs.

Exports face mounting pressure. Most of our earnings come from garments, mainly to Europe and North America. Buyers now demand stronger labour rights, greener production and traceable supply chains. Meeting these standards will require investment and compliance.

Graduation also means losing the benefits we now enjoy. The European Union will continue providing duty-free access until 2029, but after that, we must qualify for GSP Plus by implementing 27 conventions on labour, human rights, environment and governance.

The United Kingdom offers a similar transition, while the United States already imposes tariffs. Without GSP Plus, our exports could face 9-12 percent tariffs. We will also lose special treatment at the World Trade Organization and some concessional aid.

The pharmaceutical sector highlights another risk. Bangladesh produces almost all of its own medicines and exports to more than 150 countries thanks to a WTO waiver allowing us to make generic versions of patented drugs. This is why life-saving medicines are affordable. After graduation, that waiver will expire, and prices could rise sharply.

Some argue Bangladesh should ask for more time. This is technically possible in case of a major crisis, but a delay might signal weakness to investors and buyers. Others believe we should go ahead and use the three-year transition to push urgent reforms.

We must also be realistic. Corruption and pollution remain serious concerns, and Dhaka continues to rank among the most unlivable cities in the world. These realities remind us that graduation is not the finish line. It only means we have crossed statistical thresholds. The real challenge is to turn this milestone into better governance, a cleaner environment and a better quality of life.

The next few years will decide whether graduation becomes a success story or a missed opportunity. We must clean up banks, control inflation and rebuild reserves. The government needs to raise more revenue and invest in power, ports and skills. Exporters must diversify into electronics, IT services, agro-processing and higher value pharmaceuticals. We must also prove to buyers that we can meet labour and environmental standards to retain market access after 2029.

Graduation is not the end of our story. It is the start of a tougher, more competitive chapter. If we act quickly and honestly, this moment can be a springboard to a stronger future. If we delay, we risk losing the very gains that brought us here.

The writer is co-founder and CEO of Accfintax and associate director at Hoda Vasi Chowdhury & Co



# Trump's tariffs could shave 0.5% off India GDP

Chief economic adviser says

REUTERS

US President Donald Trump's 50 percent tariffs on India could reduce the country's gross domestic product by half a percent this year, the nation's Chief Economic Adviser V. Anantha Nageswaran said in a Bloomberg TV interview on Monday.

"Depending upon how long it lasts even in this financial year, it may translate into a GDP impact of somewhere between 0.5 percent to 0.6 percent," he told Bloomberg TV.

US President Donald Trump, who is seeking to broker an end to the Ukraine conflict, has said India's oil imports are helping fund Moscow's war effort and last month doubled tariffs on imports from India to 50 percent.

Finance Minister Nirmala Sitharaman said last week the world's third-biggest oil importer and consumer will continue to buy Russian oil as it proves economical.

US-India two-way goods trade totaled \$129 billion in 2024, with a \$45.8 billion US trade deficit, according to US Census Bureau data.

Exporter groups estimate the tariffs could affect nearly 55 percent of India's \$87 billion in merchandise exports to the US, while benefiting competitors such as Vietnam, Bangladesh and China.

# StanChart expects Fed to cut rates by 50bps

REUTERS

Standard Chartered expects the US Federal Reserve to cut interest rates by 50 basis points at its policy meeting this month, double its earlier projection of a 25-bp reduction, following a soft August jobs report.

Data on Friday showed US job growth weakened sharply in August and the unemployment rate rose to a near four-year high of 4.3 percent, confirming a softening labor market and bolstering the case for a rate cut this month. In a client note on Friday, the brokerage said that the labor market had shifted "from solid to soft in less than six weeks."

"August labor market data has paved the way for a 'catch-up' 50 basis point rate cut at the September FOMC meeting, similar to what occurred at this time last year."

After a 50-bps cut the market could take time to price in a slower subsequent pace of cuts, the brokerage added.

Meanwhile, Morgan Stanley and Deutsche Bank do not consider the August jobs report weak enough to warrant a 50-bps rate cut in September, though they noted it could pave the way for reductions at consecutive meetings.

# Omera to acquire Totalgaz Bangladesh for Tk 227cr

STAR BUSINESS REPORT

Omera Petroleum Ltd, a subsidiary of MJL Bangladesh PLC, is going to acquire Premier LP Gas Ltd (PLPG), a leading operator in the liquefied petroleum gas (LPG) market under the brand name "Totalgaz Bangladesh," for Tk 227 crore.

Omera will buy 99.995 percent of the shares of PLPG, and both have signed an agreement in this regard.

The acquisition is subject to regulatory approvals, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website

**MJL Bangladesh said the move is expected to strengthen Omera's LPG operations by leveraging Premier LP Gas's existing infrastructure and its 1.6 million LPG cylinders**

yesterday.

MJL Bangladesh said the move is expected to strengthen Omera's LPG operations by leveraging PLPG's existing infrastructure and its 1.6 million LPG cylinders.

"This is anticipated to boost revenue and improve profitability in the LPG business segment," it said.

As of August 31, 2025, shareholding data from the DSE show sponsors and directors held 71.52 percent of shares, institutions 20.79 percent, foreign investors 1.96 percent, and the general public 5.73 percent.

MJL Bangladesh traces its roots to 1998, when Mobil Corporation, later ExxonMobil, partnered with the state-run Jamuna Oil to establish Mobil Jamuna Lubricants. The company now operates as MJL Bangladesh PLC.

# China says trade grew in August, but below forecasts

AFP, Beijing

China's exports missed expectations but expanded 4.4 percent year-on-year in August, official data showed Monday, with falling US shipments offset by a jump in those to Southeast Asia and Europe.

Trade tensions between Beijing and Washington have been on a rollercoaster ride in 2025, with both sides slapping escalating tariffs on each other.

Exports to the United States — China's largest single-country trading partner — continued to fall in August, Monday's data showed, sinking 11.8 percent from the previous month and 33.1 percent from a year earlier. However, shipments to the European Union jumped 10.4 percent and those to the Association of Southeast Asian nations rose 22.5 percent year-on-year.

Overall though exports failed to meet a Bloomberg forecast of 5.5 percent.

Imports similarly did not meet expectations, growing 1.3 percent year-on-year in August, compared with a forecast of 3.4 percent.

Zhiwei Zhang, president and chief economist at Pinpoint Asset Management, said the "frontloading" of exports — accelerating shipments in anticipation of further tariffs — is "probably fading away".

The resilience of Beijing's exports this

year can also be attributed to Chinese businesses pushing for higher market share in other countries, exacerbated by weak domestic demand, he said.

Southeast Asia and China have deeply interwoven supply chains and Washington

has long accused Chinese manufacturers of "transshipping" — having products pass through a country to avoid harsher trade barriers elsewhere. "Trade diversion remains evident," Yue Su, principal economist at the Economist Intelligence Unit, told AFP.



An employee works at a factory manufacturing lithium batteries in Huaibei, in eastern China's Anhui province. Exports to the United States declined 11.8 percent from the previous month and 33.1 percent from a year earlier.

PHOTO: AFP/FILE

"Much of this reflects... supply-chain diversification to avoid higher tariffs, a practice also seen during the first US-China trade war," Su added.

Beijing has set an official goal of around five percent growth this year.

But it has struggled to maintain a strong economic recovery from the pandemic, as it fights a debt crisis in its massive property sector, chronically low consumption and elevated youth unemployment.

China's factory output ticked up in August but still recorded a fifth straight month of contraction, official data showed, in a further sign that trade tensions were hitting the export-dependent economy.

At one point this year tit-for-tat US-China tariffs reached triple digits on both sides, snarling supply chains as many importers halted shipments to try and wait for the governments to settle matters.

Since then, Washington and Beijing have reached an agreement to de-escalate tensions, temporarily lowering tariffs to 30 percent on the United States' side and 10 percent on China's part.

In August, they delayed the threatened reimposition of higher tariffs on each other's exports for another 90 days — meaning the pause on steeper duties will be in place until November 10.